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Summary record of the second part* of the 43rd meeting
Held at Headquarters, New York, on Saturday, 23 December 2000, at 10.30 a.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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* The summary record of the first part of the meeting, held on Friday, 22 December 2000, appears as document A/C.5/55/SR.43.

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The meeting was reconvened at 10.30 a.m.

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Draft resolution A/C.5/55/L.36

1. *Draft resolution A/C.5/55/L.36 was adopted.*

2. **Mr. Heinbecker** (Canada) said that his delegation was pleased that draft resolution A/C.5/55/L.36 had been adopted by consensus. The new scale of assessments was a reasonable compromise, which did not unduly distort the scale methodology; it came closer to the goal of achieving a true reflection of capacity to pay and more accurately reflected current global economic realities. For the most part, the Committee had avoided methodological adjustments as a means of sidestepping the basic responsibility of Member States to pay their fair share of the costs of the United Nations.

3. The reduction of the assessment of the largest contributor was a distortion of the capacity to pay, but was politically necessary. His delegation looked forward to the largest contributor paying its arrears in full and without delay or conditions. At the same time, it recognized the difficulty caused by large increases in the assessed contributions of some Member States, and was pleased that the United States of America would be providing some mitigation to assist Member States in adjusting to the new scale. Canada would forego that assistance; its share of the funds would provide mitigation for Member States which would experience substantial increases in their regular budget assessments and had less capacity to pay.

4. Draft resolution A/C.5/55/L.36 placed the Organization on a sounder financial footing. His delegation therefore expected that troop contributors would be reimbursed the full amount they were owed without delay. It continued to urge all Member States to pay their assessed contributions in full, on time and without conditions.

Agenda item 169: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (*continued*)

Draft resolution A/C.5/55/L.37

5. **Ms. Benary** (Deputy Secretary of the Committee) said that, in paragraph 6, the word "group" should be changed to "level"; the new paragraph 17 bis, on a separate sheet, should be inserted after paragraph 17, and the paragraphs should be renumbered accordingly; and in annex A, Saint Kitts and Nevis, and Uruguay, should be deleted from level I.

6. **Mr. Wang** Yangfan (China) said that, following several months of arduous negotiations, Member States had finally reached consensus on the scales of assessments for the peacekeeping and regular budgets. The adjustment of the two scales of assessments touched on the interests of every Member State; the acceptance of the adjustments reflected a desire to seek common ground while accommodating differences, and the political will to enhance the role of the United Nations. Although more than 70 countries, mostly developing countries, would have higher assessments, they had set aside their own difficulties in order to reach consensus. That spirit was commendable and the United Nations should be grateful to those developing countries.

7. During the transition period, the reduction of the share of the peacekeeping budget of the major contributor would be made up by the four other permanent members of the Security Council, which was unreasonable. From the outset, his delegation had supported the approach that countries which would have higher rates of assessment should enjoy a certain amount of mitigation and a transition period. As a permanent member of the Security Council, however, China faced a further large increase in its rate of assessment for the peacekeeping budget, so that, in accepting the decision, it had paid a very high price. It should not be forgotten that China had a population of about 1.3 billion, and a per capita income which was just approaching $1,000.

8. In the long run, the financial difficulties of the United Nations resulted mainly from the arrears of the major contributor. The biggest problem with the adjustment was that the major contributor had arbitrarily set up a scale of its own which deviated from the principle of capacity to pay. Like many other

countries, China could not accept the major contributor's practice of imposing its will on other countries. However, it had finally joined the consensus because the United Nations had to have a regular budget in order to continue its normal operations and needed resources for its peacekeeping operations. China had borne greater burdens for the sake of the United Nations. It now demanded that the country with the largest arrears should also demonstrate its political will and the importance it attached to the United Nations in concrete action and should pay all its arrears in full, on time and without conditions.

9. At the threshold of a new century and a new millennium, there was still a long way to go towards achieving the goal of enhancing the role of the United Nations in the maintenance of world peace and the promotion of common development as set forth in the Millennium Declaration. China stood ready to work with other Members of the United Nations towards that goal.

10. **Ms. Pajula** (Estonia) said that in annex A of draft resolution A/C.5/55/L.37, Estonia was shown in level I; it should actually be in level B.

11. **Mr. Abelian** (Armenia), coordinator of the informal consultations on the item, said that, since Estonia had made a voluntary movement from level I to level B, that situation would be reflected in draft resolution A/C.5/55/L.38.

12. **Mr. Holbrooke** (United States of America) said that the Committee had travelled a very long way and the last stretch had been the most difficult. There had been a tremendous amount of tension and acrimony, because each country had been defending its national interests while trying collectively to advance the resolution of a problem which everyone agreed had to be solved.

13. From the outset, he had fully understood the unwillingness of other delegations to agree to a reduced scale of assessment for his Government; he greatly appreciated the outcome of the deliberations and believed that there would be a growing understanding by his Government that the United Nations was working with it on the issue. Much work remained to be done: the draft resolutions must be fully implemented and the reform effort must be continued, with particular attention to the full implementation of the reforms proposed by the Panel on United Nations Peace Operations.

14. In approaching the question of peacekeeping assessments, the Committee had made a worst case assumption. However, his delegation believed that substantial drawdowns were possible in East Timor and in Ethiopia and Eritrea; if the peacekeeping budget was reduced, every Member State would pay less.

15. Many delegations had expressed the view that they did not want peacekeeping to be financed at the expense of development aid and humanitarian assistance. His Government fully agreed and, like other major contributors, had been increasing its voluntary development assistance. At the same time, his Government did not believe that there needed to be a choice: development helped to prevent conflicts, and conflicts needed to be resolved so that there could be development.

16. Members of the United States Congress, a separate and co-equal branch of his Government, had visited the United Nations over the past year, and had been impressed with the Committee's efforts. At the beginning of his tenure as Permanent Representative, he had assured the Congress that his highest priority would be the implementation of reform; he would now be able to report back that he had met that commitment and that the Committee had gone a very substantial way in that direction.

17. **Mr. Adam** (Israel) said that his delegation was pleased with the new scale of assessments for peacekeeping operations, in which Israel was in level B and was foregoing the transition period. Israel attached great importance to the peacekeeping operations of the United Nations, and appreciated their objectives and work. It hoped that its new level of assessment, along with its admission to the Group of Western European and Other States, would foster a new chapter of relations between the United Nations and Israel.

18. **Mr. Mahbubani** (Singapore) said it was clear that the Committee needed to move towards a period of reconciliation and healing. Many delegations had found themselves under pressure to change their positions. Great efforts had been made to induce his delegation to change its position, and it had had to stand firm in order to defend a fundamental principle of the Charter of the United Nations, namely the sovereign equality of all Member States. By virtue of that principle, every delegation was entitled to be treated with respect and consideration, since every country had legitimate interests at stake.

19. At the same time, the Committee needed to look ahead. His delegation was pleased that the United States representative had indicated that there would be a new beginning in relations between the United States of America and the United Nations and that the commitments that had been made would be respected.

20. During the suspension of the meeting, his delegation had agreed to forgo the mitigation agreed to earlier in order to help to achieve consensus, even though Singapore's contributions to peacekeeping would increase substantially under the new scale. Every country had played a part in achieving the consensus and he hoped that delegations would work together in a positive spirit to build on what had been achieved.

21. *Draft resolution A/C.5/55/L.37, as orally revised, was adopted.*

22. **Mr. Sun** Joun-Yung (Republic of Korea) said that, with regard to paragraph 21 of draft resolution A/C.5/55/L.37, his delegation wished to state that the triennial review described in paragraph 15 also applied to the Republic of Korea.

23. **Mr. Apata** (Nigeria), speaking on behalf of the Group of 77 and China, said that, despite the difficulties and obstacles encountered, the Committee had finally achieved consensus. The commitment to strengthen the Organization which had been made by world leaders at the Millennium Summit would have been meaningless if the United Nations had failed to agree on how to provide resources for the smooth running of the Organization. The Group of 77 and China were proud to have shown flexibility; it was equally important to recognize the flexibility of their partners, which had led to a mutually satisfactory agreement. He appealed to the United States of America, as one of the founding members of the Organization, to pay its arrears in full and without delay.

24. **Mr. Rodriguez Parrilla** (Cuba) said that his delegation had profound reservations about the draft resolution, but had decided to join the consensus since that seemed to be the only way to avoid further damage to the United Nations and to the interests of the developing countries. It was also true that the impact of the increased assessments on some of the developing countries had been mitigated and some elements of the methodology had been modified. Although Cuba was not one of the developing countries which was seriously affected by the changes, it had always acted in solidarity with countries which were seriously affected.

25. The adoption of the draft resolution further confirmed that the United Nations could not escape the situation of unipolarity in the modern world, or the inequity, exclusionary nature and injustice of the unstable international order. Essentially, the United Nations had had to yield to blackmail and intimidation by the Government of the United States of America which, in turn, was casting blame on the United States Congress. Regrettably, it had been accepted that the capacity to pay was merely a reference principle; that posed the risk that other countries might be tempted to ignore that principle in the future. The burden of adjustment had been placed on the developing countries; that was a terrible injustice and would make their economic situation even more critical.

26. It was difficult to believe that the United Nations was now closer to solving its critical financial situation when there were alarming arrears in payments, increasing resort to unique practices to maintain liquidity in the regular budget, and the expectation of further increases in both the peacekeeping and the regular budget. Meanwhile, the peacekeeping budget was steadily increasing, and a further increase would be needed in both the peacekeeping and the regular budget to implement the recommendations of the Panel on United Nations Peace Operations and to improve the security of peacekeeping personnel. The amount of debt acknowledged by the main debtor was approximately half of its real debt. If it was true that a donation from a private United States citizen had made it possible for the United States of America to join the consensus, that would clearly indicate the lack of seriousness with which that Government viewed its relations with the United Nations. His delegation believed that there was a clear understanding that if the United States of America did not pay at least the agreed amount, the whole package would fall apart and the Committee would go back to the starting point. The Members of the United Nations were sovereign and equal States; they could not accept any prerogative of the United States Congress to assess the performance of the United Nations or to give cash prizes for its reform efforts. The United States of America must pay what it owed because that was its legal and moral obligation.

27. **Ms. Ibraimova** (Kyrgyzstan) expressed appreciation for the understanding and support shown by delegations to her delegation. Their generosity and solidarity would be deeply appreciated by the people of Kyrgyzstan.

28. **Mr. Hays** (United States of America) said that the Committee had accomplished a major reform: for 27 years, the connection between the responsibility of Member States for peace and security and their capacity to pay had been delinked; with the action it had taken, the Committee had developed a structure which combined those two elements effectively into a new peacekeeping scale that continued to enshrine the principle of the special responsibility of the permanent members of the Security Council and identified the economic basis for expansion and growth of contributors. The scale provided an opportunity to review the financial capabilities of Member States every three years. It maintained the right of each Member to have its capacity to pay reviewed on a triennial basis and to choose between the mandatory brackets and voluntary increases in contributions. The scale was far better than the scale which had been used for the past 27 years.

29. His delegation paid tribute to the members of the Rio Group for their efforts, since they themselves would be paying more under the new scale.

30. **Mr. Samhan** (United Arab Emirates) said that the consensus reached at the current meeting would enhance the role of the United Nations in the maintenance of international peace and security. It was the responsibility of all Member States to implement everything which had been agreed upon.

31. His delegation expressed appreciation to all the fraternal delegations which had understood his country's concerns. The agreement reached was contrary to his country's national interests, but his delegation attached great importance to the United Nations and had therefore supported the consensus.

32. His delegation hoped that the Committee secretariat and the Committee on Contributions would review the data provided to the Secretary-General by his Government in order to determine its contributions to the regular budget and to the peacekeeping budget.

33. **Mr. Valdivieso** (Colombia), speaking on behalf of the Rio Group, said that the Rio Group welcomed the consensus that had been reached, which reflected the deep commitment of the developing countries to the Organization. The Rio Group countries would see an increase of some 32.5 per cent in their contributions to the regular budget. At the same time, they were taking on greater responsibilities. The Rio Group countries hoped that the Committee would make further progress towards developing more objective criteria for the scales of assessment; the technical elements of the methodology must prevail over political interests if there was to be a solid, predictable and stable basis of financing for the Organization. The Rio Group countries noted with satisfaction the broad support by Member States for the new scale of assessments for the budget for peacekeeping operations; now that the criteria were fairer and more equitable, it was to be hoped that in future there would be the necessary basis and political commitment for financing peacekeeping operations.

34. **Ms. Petrosini** (Venezuela) said that her delegation had not opposed the consensus on the scale of assessments for the regular budget since, compared with the possibility of the United Nations being seriously jeopardized, it was the lesser evil. However, her delegation felt that the modification of the ceiling was totally contrary to justice and equity, and especially to the principle of capacity to pay, and placed an undue burden on other Member States. It deplored the methods used by the main contributor to force delegations to accept the ceiling, which ran counter to the spirit and letter of its international obligations under the Charter.

Draft resolution A/C.5/55/L.38

35. **Ms. Benary** (Deputy Secretary of the Committee) said that the words "with a transition time of five years, as follows" in paragraph 5 of the draft resolution should be deleted, and the footnote should read: "Level H means 70 per cent discount for voluntary movement" and should apply to all references to level H.

36. **Mr. Paolillo** (Uruguay) said his delegation felt that the footnote was unnecessary; if it was retained, it should be amended to refer to a target discount of 80 per cent, or 70 per cent on a voluntary basis, as indicated in draft resolution A/C.5/55/L.37.

37. **Mr. Abelian** (Armenia) said that countries which had made voluntary movements had wanted it to be specified that level H meant a 70 per cent discount.

38. *Draft resolution A/C.5/55/L.38, as orally revised, was adopted.*

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/C.5/55/L.33 and A/C.5/55/L.34)

39. *Draft decisions A/C.5/55/L.33 and A/C.5/55/L.34 were adopted.*

The meeting rose at noon.